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SIPDIS

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SUBJECT: TFLE01: SYRIA DAILY SITREP 10 FOR WEDNESDAY, JULY
26, 2006

REF: DAM 3655

11. (U) Summary: Spain will present the Syrian position at the July 26 Rome conference on the Israel-Hizballah crisis, according to regional media, citing two visits this week by the SARG's Minister of Information to Madrid. Palestinian rejectionist groups in Damascus, including Hamas and Palestinian Islamic Jihad, met in Damascus and agreed "to place all of their capabilities and resources alongside Hizballah and the heroic Lebanese people," according to Maher al-Taher, deputy SYG of the Palestinian Liberation Front for the Liberation of Palestine, in a statement quoted by Arab regional media. The Consular Section received 168 walk-in requests for American Citizen Services (ACS) on July 25, down from 184 the previous day. Little immediate economic fall-out has manifested itself here in reaction to the ongoing conflict, although recent reports indicate a 20-percent spike in gasoline consumption and a continued upward creep in the exchange rate of the Syrian pound. End Summary.

POLITICAL/SECURITY

12. (U) The following are political updates:

-- Spain will present the Syrian position at the July 26 Rome conference, according to press reports. Syrian Minister of Information Mohsen Bilal traveled to Madrid, where he recently served as the Syrian Ambassador, for the second time this week to "explain the Syrian point of view over what is taking place," according to one report in the Arab regional press. Syria is calling for an unconditional halt to Israeli attacks, a prisoners' exchange, and implementation of all international resolutions regarding the Israeli occupation of Arab territories, according to regional reports.

-- Leaders of the 10 Palestinian rejectionist groups based in Damascus, including those of Hamas and Palestinian Islamic Jihad, held a meeting and agreed "to place all of their capabilities and resources alongside Hizballah and the heroic Lebanese people," according to Maher al-Taher, deputy SYG of the Popular Front for the Liberation of Palestine, in an interview with Al-Safir newspaper. The groups also formed a committee to support the Lebanese resistance in its battle against Israel, in a statement quoted by Arab regional media. A separate AP story on July 25 quotes a member of Hamas' political bureau in Damascus, Mohammed Nazal, as raising the possibility of teaming up with Hizballah to negotiate a prisoners' exchange, while ruling out any military coordination because of differences in the groups' agendas.

-- The Damascus-based office representative of Iraqi Shiite cleric Moqtada al-Sadr met Syria's State Minister for Red Crescent Affairs July 25 in Damascus to discuss the delivery of humanitarian aid to Lebanon, including via the Syrian Arab Red Crescent, according to the official Syrian Tishreen newspaper.

-- Official Syrian media continued to criticize the U.S. Administration for its regional policies and the absence of support for an immediate cease-fire between Israel and Hizballah. The official Syrian Al-Thawra newspaper said that the U.S. Secretary of State's visit to the region incites Israel to continue its aggression, while aiming to draw up a joint U.S.-Israeli plan for a new Middle East "whose end results will be another quagmire of death and destruction."

-- Syrian authorities banned earlier this week the circulation of the Saudi-owned dailies, Asharq al-Awsat and al-Hayat, according to the UPI news agency. Al-Hayat is publishing a series of interviews with Arab intellectuals who express views not in line with the SARG position on the Israel-Hizballah conflict, while Asharq al-Awsat published earlier this week an opinion piece that reiterated the Saudi government's earlier criticisms of Hizballah adventurism.

-- The MFA has yet to respond to a demarche early July 25 (reported reftel) about steps the SARG must take to cut off support for Hizballah.

13. (U) The RSO office reported that two small, non-violent demonstrations occurred the evening of July 24 in Damascus. In the first instance, about 200 women and children carrying

DAMASCUS 00003660 002 OF 002

Syrian flags and candles held a vigil on behalf of Lebanese and Palestinian children in the Abu Roumaneh neighborhood, later boarding buses for the UNDP office in the Damascus neighborhood of West Mezzeh. In the second instance, about 20 men carrying Syrian and Syrian Communist Party flags held a non-violent, 20-minute demonstration on behalf of the Lebanese people in Rawda Circle a block from the Embassy.

CONSULAR

14. (U) The following are consular updates:

-- The ACS unit received 168 walk-in requests for services on July 25, down from 184 the previous day.

-- Most e-mail and telephone inquiries to the Non-Immigrant Visa unit were from potential Lebanese applicants. The Immigration Visa (IV) unit is receiving requests for immediate-category IVs for Lebanese spouses of U.S. citizens. Post is awaiting a response to an e-mail request to the Consular Affairs task force for guidance on the issue.

ECONOMIC

15. (U) The following are economic updates:

-- Little immediate economic fall-out has surfaced here in reaction to the ongoing conflict, although recent reports indicate a 20-percent spike in gasoline consumption. The SARG is reportedly trying to compensate by lifting quotas for gas stations, and no long lines have been observed in the Damascus area.

-- The Syrian pound has crept up since the start of the crisis, from its previous low of 50.20 to one U.S. dollar, to where it now hovers at around 52 on the black market. This upward trend may also be linked to a SARG decision earlier this summer to allow the currency to move to a more sustainable rate.

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